United States Department of Agriculture

NRCS

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December 13, 2004

MINNESOTA BULLETIN NO. 300-5-16

SUBJECT: LTP – CSP – Additional Guidance for the 2005 CSP

Purpose: To inform NRCS employees on the latest CSP information and provide due dates for activities which need to be completed prior to the next sign-up.

Expiration Date: September 30, 2005

ACTION DUE BY DATES LISTED

CSP UPDATE DECEMBER 10, 2004
INFORMATION FROM THE NATIONAL MEETING IN DALLAS

2005 CSP Funding - The $202 million FY2005 allocation equates to $1.6 billion when counting all the out years. CSP annual funds are similar to CRP in that they only account for the first year's contract funding. This year's program equates to more than a 10 fold increase in the number of watersheds and potential participants but only a 5 fold increase in the amount of funds. This means it's highly likely that not all eligible applicants will receive a contract.

Rule making – The CSP final rule continues to be developed, we don't have final decisions on several important items and until the final rule is published we will not and can not provide accurate training on;

- Enrollment Categories
- Payments
- Contract limits

DO NOT PROVIDE POTENTIAL PARTICIPANTS INFORMATION ON THESE ITEMS OR SUGGEST THAT THE 2004 PROCEDURES WILL BE USED THIS YEAR.

CSP Time Charges (Direct Charge) – staff (dealing with the 2005 watersheds) should only be charging CSP time to the following activities;

- National CSP training sessions
- State level training sessions
- Producer workshops
- Applicant Interviews

- Dealing with producers that pass through a successful interview process

NHQ will be issuing a bulletin on CSP and the policy for Direct Charge. In CSP we don't earn new-year funding until after the new-year F/A checks are sent to producers. This means that all 2005 watersheds won't get T/A funds until the sign-up is completed, contracts approved and producer checks send out (that won't occur until July or August at the earliest). Also, the 15% cap on T/A is remaining in place; these two items make it extremely difficult to complete all the required work in the first year CSP sign-up process.

CSP Operating Process - The 2005 CSP program will be rolled out in a staged process, as follows;

1. General Program Information – we are currently in this phase and will remain here until the final rule is published and we have provided training on those rules.

2. Once the sign-up and training is announced and completed we will proceed with applicant eligibility screening (AND STOP)

3. After the sign-up ends we will deal with those applications determined to be preliminarily eligible, we will confirm eligibility, determine tier and category placement, calculate payment rates and develop contracts.

This revised procedure will rely on more and better eligibility screening tools. The key component of CSP eligibility will be producer documentation that they have met the minimum eligibility criteria. The overall goal of determining potential CSP eligibility is that the process be completed in the office using off site procedures and applicant documentation.

CSP Minimum Eligibility Criteria (Tiers 1 and 2)

CROPLAND and HAYLAND –

Soil Quality – have a positive SCI
Water Quality - Achieve the FOTG Quality Criteria for

- Nutrients
- Pesticides
- Sediment
- Salinity

PASTURE

Soil Quality – have and be following a grazing management plan
Water Quality – manage and control access to water

The minimum Pasture Condition Scorecard will not determine eligibility but will be used later for category placement.

RE-READ THE CRITERIA AND UNDERSTAND THEM

Implementing these criteria means that watershed specific minimum treatment requirements will be used and that the minimum treatment requirements could vary in the different watersheds.

Applicants will be responsible to document that they have met these minimum criteria. NRCS will assist them in doing this by having them;

- complete the CSP Self Assessment,
- complete our to-be-developed expert eligibility checklists (these will list activities that applicants will verify have been done on their lands)
- complete NRCS documentation worksheets or provide their own documentation to verify their activities

Soil Quality is tied to the SCI. The SCI is not "T" based, so it is not a function of total soil profile thickness. The SCI is a function of soil organic matter and soil carbon and the activities and management of those items. Soil erosion is a component of the SCI but 1) biomass production (which is a function of residue management, crop yields, crop rotation and water management) and 2) field operations have greater importance.

Soil sheet and rill erosion rates are not always controlled to "T" with a positive SCI. On many soils with flatter slopes producers can do aggressive tillage and still have a positive SCI.

RUSLE-2 –

- Use "the most limiting soil of significant extent" within each field or treatment unit to determine the SCI. This is not always the soil with the most acres or the predominate soil, it's the soil used for conservation planning.
- Do not designate an organic soil map unit for this purpose, as RUSLE-2 does not work on organic spoils. When an organic soil is the critical soil map unit select a different, adjacent and appropriate mineral soil, or use the "sand" texture from the Generic Soils folder.
- Use the most recent version (August 2004) of RUSLE-2, it has better editing and printing options and it has better values for the effectiveness of liquid and semi-solid manure. **Be sure to review the instructions that were sent out on the use of manure in management rotations.**
- If wind erosion is not a concern don't add it in. Where wind erosion is a concern it should be representative of the "most limiting soil of significance" used to determine sheet and rill erosion (don't use a completely different area and "L" for the wind and water portions of the calculation.
- Use the crop yield that is representative of the "most limiting soil of significance". Don't use average field or farm yields. This value for yield will have to be entered on the RUSLE2 input screen.
- On irrigated cropland be sure to add the water amounts being applied (Robin will be providing additional instructions on this process).
- Be aware that the soils folks are in the process of switching to the national "soil data mart". This switch may include updated soils data and we may need to import the updated soils files into the local RUSLE-2 data bases. (This update is coordinated by the State Soil Scientist and the State Agronomist. When a new soil database is available for a county, there is a specific procedure for getting that database imported into the national database, and into the county database.)
- Consistently apply RUSLE-2 throughout the watershed.
- **By February 1 Robin Martinek will have worked with the ARCs to set any additional protocols for the use of RUSLE-2 and SCI and will provide adequate training to field staff on these tools.**

- **Prior to the CSP sign-up these same people will develop managements in RUSLE -2 for typical crop rotations that can be readily modified for different slopes, , implements, yields and other factors.**
- **All users should have and review the "Additions to RUSLE2 Users Guide – Guidelines for Use of Factors".** This was previously sent to the ARCs by Robin Martinek for distribution to field offices.

Water Quality will not be expressed as implementing (achieving) the NRCS 590 and 595 standards, farmers and others don't understand our standard requirements. Instead we will develop checklists to determine if the potential "loss mechanisms" for nutrients, pesticides, sediment and salinity have been addressed. Loss mechanisms are those factors which lead to the movement and potential adverse environmental impact of identified water resource concerns (nutrients, pesticides, sediment and salinity). Loss mechanisms include;

- Erosion
- Water Runoff
- Leaching
- Application methods

Sediment – to control water quality degradation by sediment we will (in most cases probably) require ephemeral and classic gully control. Watersheds where ephemeral erosion is not a concern will not necessarily have the same criteria. The Red Lake Watershed may require wind erosion reduction activities to control sediment delivery by wind or ditch inlets to control sedimentation via ditch bank erosion.

Water Runoff, Leaching and Application Methods – to control water quality degradation by these mechanisms we will be looking at the amount, timing, and products used to produce crops. Applicants will document their fertilizer, manure, and pesticide use. Any sensitive areas common in the watershed (karst features, drinking water supply areas, and others) will address appropriate mitigation measures.

- **By February 1, Jeff St. Ores and the nutrient specialists will assist each watershed with identification of the typical water quality loss mechanisms and their watershed water quality minimum treatment requirements.**
- **Prior to sign-up this same group will do generic WinPST runs to identify potential high risk products and soils. These generic runs along with alternative mitigations and to-be-developed water quality checklists, matrixes, and other producer self assessment and documentation worksheets will be the basis for determining an applicant's eligibility.**

Irrigation Water Management

IWM is not a primary eligibility factor, it's a support practice that must be addressed and have been determined to meet the quality criteria for 1) Tier 3 applications and 2) Tier 2 if it's the additional resource concern chosen.

In CSP the IWM uses a tool called FIRI and the quality criteria is met when the index value is at least 50. The same tool and quality criteria is also being proposed to determine when the water quality (salinity)

- **By January 3, watershed coordinators and ARCs will determine the estimated extent of; 1) irrigation and 2) soil salinity in their watershed.**
- **By January 3, the Leadership Team will determine our state IWM coordinator and we will set-up a net conference with Dennis Carmen to train those field staff and specialists that will be using this tool.**

Energy

Energy is the agency's newest resource concern and we currently have very little in the FOTG that discusses this resource. In CSP energy is only an enhancement and the options for applicants to earn enhancement payments will be decided at the national level. The 2004 energy enhancements included;

- Applicants obtaining an energy audit
- Use of alternative fuels (bio-diesel and ethanol)
- Management activities to conserve energy (lower STIR, reduced fertilizer and pesticide use, application of manure and/or legumes that provide 90% of the crop's required nitrogen
- Direct energy reduction – this required that a prior audit be completed first

There are very good energy job sheets on the CSP web site that cover the applicant's requirements and documentation for these enhancement payments. The national office is developing an energy calculator that may be used in the CSP process.

- **By January 3 the Leadership Team will determine our state Energy coordinator. That position will work with the Central Region Tech Center to provide additional training on the energy resource**.

Pasture

The minimum CSP eligibility criteria require that the applicant have a grazing plan that details on how the vegetation and animals are being managed. The plan must provide; 1) positive balance of forage and livestock, 2) indicate how access to water is managed, 3) indicate timing of grazing and 4) indicate livestock distribution.

- **By February 1, Howard Moechnig and the grazing specialists will develop expert check lists to assist applicants to document the following**; (look in the CSP ThunderBook for examples – Oregon)
- forage production per acre and total acres
- hay harvested and/or purchased
- numbers of livestock
- grazing schedules
- records of nutrient and pesticide management
- maps of physical practices such as fences, pipelines, water facilities, feed bunks and other appropriate infrastructure

The applicant must provide these records and complete the required documentation.

After the sign-up ends all eligible pastures will be evaluated in-the-field using the Pasture Condition Scorecard. The scorecard process will determine the category that the application is eligible for and will determine if any pasture enhancements are being done.

- **By the beginning of sign-up all grazing specialists and other appropriate field staff will be trained and capable of using the Pasture Condition Scorecard.**

Wildlife

CSP does not have a goal to convert working lands (pasture and cropland) into permanent wildlife habitat. Wildlife is not a primary eligibility factor; it must be addressed and have been determined to meet the quality criteria for 1) Tier 3 applications and 2) Tier 2 if it's the additional resource concern chosen.

Wildlife quality criteria is met when either 1) the Minnesota FOTG criteria is achieved (general habitat appraisal guide is assessed at the 0.5 level or above) or 2) a species of concern specific model is used to assess eligibility.

The goal of the CSP sign-up will be for applicants to use a questionnaire and expert checklist to document that a minimum habitat score is present. After the sign-up is completed the HSI will be run in-the-field to determine category placement and if potential wildlife enhancements are being done.

- **By January 10 Mark Oja will develop options for the different watershed to consider when assessing wildlife, species specific or general habitat models.**
- **By the beginning of sign-up Mark Oja will work with the ARCs to insure that all appropriate field staff are trained on use of the HSI.**

Enhancements

The due date for enhancement lists in National Bulletin 300-5-7 was extended until January 21. Leah Moore is the lead to coordinate CSP enhancements for all resources in all watersheds. Watershed coordinators will work with the following specialists to develop appropriate enhancements for their watershed;

- Soil – based on SCI, done at the national level – Robin Martinek
- Nutrients – Jeff St. Ores
- Irrigation – based on the IWM, done at the national level – unknown
- Pasture (grazing) - Howard Moechnig
- Wildlife – Mark Oja
- Air – Leah Moore for now
- Energy – done at the national level - unknown

By definition all enhancements must go beyond the minimum requirements of the CSP eligibility criteria. The goal of enhancements is to deliver outcome based conservation objects. To do this we need think beyond our normal conservation practice standards and consider additional "knowledge based conservation" that producers gain through an everyday learning process and that can lead to management changes that provide positive environmental benefits.

Enhancements can be cutting edge activities that are not commonly done by most producers but could be adopted by applicants and are used to motivate (through incentives) applicants to exceed the minimum level eligibility criteria. This is the preferred way to develop and offer enhancements.

Enhancements can also be readily adopted activities that go just beyond the minimum criteria but are easily accomplished without major management changes. These enhancements allow greater applicant financial reward and are important if the environmental return is significant.

Enhancements should be unique to the specific watershed and should be limited in their number. We will be developing specific job sheets for each enhancement to; 1) explain the purpose of the activity and the environmental benefits that result, 2) allow the producer to document when and how the activity is completed, 3) explain the payment rate and when and how the payment will be earned. Due to limited CSP T/A funds, enhancements that require reoccurring in-depth technical assistance (such as the running of technical tools) should be minimized. For many enhancements producer certification should be used to adequately document that the activity was completed.

ADDITIONAL ACTION ITEMS

1. By January 5, the State office will schedule a net conference to explain how to develop potential enhancements and a CSP new practice cost share list. Refer to national bulletin 300-5-7 for additional information.
2. By January 10, watershed coordinators will schedule a watershed work group meeting (an expansion of the Local Work Group used to set EQIP priorities) to gather partner input on potential enhancements and new practices. The first part of the meeting could be done in conjunction with item 1 listed above.
3. By January 5, the state office will meet with the state CSP subcommittee to gather their input on potential enhancements and new practices.
4. By January 17, each watershed will submit a list of potential enhancements and new practices to Leah Moore.
5. By January 21 the state office will submit a finalized list of watershed specific enhancements and new practices.
6. Beginning Thursday December 16 every watershed coordinator needs to participate in the weekly CSP net conferences. Call-in numbers and the web site address will be forwarded out.
7. By February 1 watershed coordinators and ARCs will develop a list of resource concerns that can be used by applicants to qualify for Tier 2.
8. By February 1 watershed coordinators and ARCs will develop a prioritized list of resource concerns that will qualify applicants for Tier 3. With limited T/A we will not be able to fully assess each Tier 3 application for all 58 resource concerns.
9. Watershed coordinators should anticipate attending a 2 to 3 day regional CSP workshop in late January or early February in Des Moines.

Direct your questions on the information in this bulletin to Paul Flynn, SRC.

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State Conservationist

DIST: ASTC (FO)
CSP Watershed Coordinators
DCs in 2005 CSP Watershed
AO.ARCs
MN.GRAZE
SO.ECS
SO CSP TEAM